Developing innovative payment models to support member care

How The Ohio State University Health Plan controlled
cost and maintained quality with Truven Health Insights

The Ohio State University Health Plan set out to identify high-cost procedures that could be improved from a process engineering standpoint, while still supporting high-quality outcomes. It turned to the Truven Health Insights data analysis and reporting solution from Merative.

Business challenge
Like many healthcare organizations, The Ohio State University Health Plan sought a way to control costs without sacrificing quality.

Transformation
The team used Health Insights to examine variability in several different categories of surgical procedures.

Results
Identified a linear model
to establish base payments.

Incorporated quality metrics
on any type of surgery that follows its general linear model.

Reassured members

that they're getting the lowest charge possible.

Optimize member health

The need

The Ohio State University Health Plan manages healthcare insurance benefits and wellness resources for the university's 29,000 employees, as well as its spouses and dependents. The health plan, medical center and university work together to help deliver safe, efficient, patient-centered care to its members.

Leaders at The Ohio State University Health Plan sought a way to control costs without sacrificing quality. Plus, they knew that to receive maximum reimbursements under value-based payment models, they needed to eliminate unnecessary services and avoid complications in their coordinated care efforts. For these reasons, a team set out to identify high-cost procedures that could be improved from a process engineering standpoint, while still supporting high-quality outcomes.

"The mission of the health plan is to optimize member health by providing them with the best access to the best care at the best price, regardless of the place of service."

Advanced Analytics Consultant and Adjunct Assistant Professor of Biomedical Informatics (2018)
The Ohio State University

Digging into the data

The solution

The Ohio State University Health Plan turned to Health Insights.

The team used the Outpatient Event Grouper (OPEG) module in the solution to examine patient, process and place of service variability in several different categories of surgical procedures. The OPEG module combines facility and professional claims from a single treatment encounter in an outpatient setting. It allows users to analyze individual outpatient events to identify multiple providers and procedures that characterize medical treatment for a particular event. Outpatient events can then be reliably categorized by frequency (incidence and prevalence), cause (diagnosis), cost (allowed amount or net payment) and efficiency (components of cost).

"We all know that patients are different," says the university's Advanced Analytics Consultant and Adjunct Assistant Professor of Biomedical Informatics. "But what we wanted to figure out is what processes the surgeons are going through where we could eliminate any wasted effort or duplication of services.

"What OPEG does is it shrinks the time of the analysis that's needed by severing the time sequence to just a simple day rather than a longer bundle. And within that particular day, it allows you to align all your variables in a straight matrix, so that you can look through each day's procedures for each patient and identify where things are different."

Balancing cost and quality

THE BENEFIT

One surgical category the team analyzed was colonoscopies. Focusing on place of service as a key variable, the team looked at every colonoscopy procedure and discovered that costs were higher on the provider side due to the number of biopsies that were done per person.

When we pulled back from the analysis and looked at the charges, we found that the biopsies lined up from one to five and there was a monotonic increase, meaning that there was an equal charge levied for each additional biopsy. So, we had ourselves a base charge as well as a slope of charges that were based on the number of biopsies.

"What that tells us analytically is that we have a general linear model for all of those procedures, where we clearly state to any patient, 'You're going to pay this particular charge as a base payment. Then depending on what the doctors find, you'll either be charged X, Y or Z.'"

Now, the doctors and the place of service know exactly what will be provided with each procedure, and the health plan can incorporate quality metrics based on any type of surgery that follows that general linear model. Members are reassured that they're getting the lowest charge possible for the best outcome possible, and they know in advance what they're going to pay for those outcomes, subject to chance variation.

About The Ohio State University Health Plan

The Ohio State University Health Plan manages healthcare insurance benefits and wellness resources for the university's 29,000 employees, as well as their spouses and dependents. The Ohio State University is one of the nation's top 20 public universities, and its Wexner Medical Center ranked third among 104 academic medical centers that were included in the 2014 University Health System Consortium Quality and Accountability Study. The health plan, medical center and university work together to help deliver safe, efficient, patient-centered care to its members.

About Truven

Truven by Merative is a portfolio of healthcare data and analytics solutions, backed by 40 years of deep healthcare expertise. We provide trusted insights and proven expertise to help employers, health plans, life sciences organizations, and government agencies drive better health and financial outcomes. With market-leading solutions like Health Insights and MarketScan, Truven serves 7 of the top U.S. health plans, over 40% of the Fortune 500, and the top 20 global pharmaceutical companies.

Learn more at merative.com/truven.

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Merative provides data, analytics, and software for healthcare and government social services. With focused innovation and deep expertise, Merative works with providers, employers, health plans, governments, and life sciences companies to drive real progress. Merative helps clients orient information and insights around the people they serve to improve decision-making and performance.

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